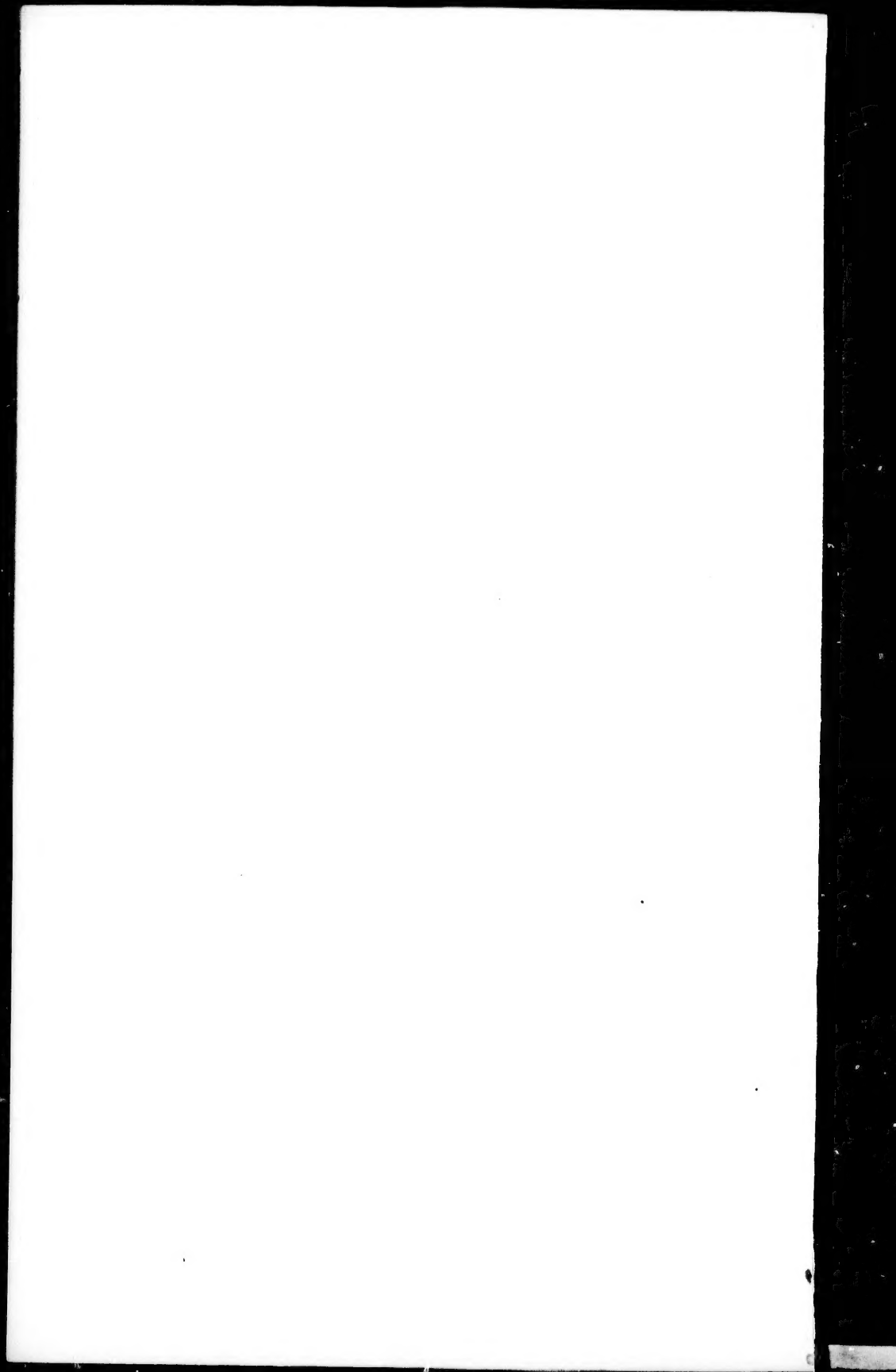




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THE object of the following Remarks is briefly to point out the policy of maintaining in its present state the discriminating scale of Duties on Foreign and Colonial Timber, and the injurious effects which any alteration in those duties in favour of foreign wood must inevitably produce on our North American possessions, and on the important interests connected with them.

These effects are shortly considered in reference to—

1. The **TIMBER TRADE** itself, which would thus be thrown altogether into the hands of Foreigners.

2. The **CONSUMER**, who, from the competition induced by the present duties in regard to Foreign and North American wood, is now supplied at the lowest possible price; but who, were competition removed, would be placed in the power of the Foreigner, both in regard to price and supply.

3. The **CAPITAL INVESTED** in this trade, in mills, warehouses, wharfs, and other establishments, the certain destruction of which would follow any alteration of duty.

4. The **GROWING PROSPERITY** of the Colonies, which would receive a fatal check from the same cause.

5. **EMIGRATION**, by means of which Government has encouraged and stimulated a rapidly-increasing population to apply itself to the very labour which any unfavourable change would effectually stop, and reduce to a state of destitution the great body of emigrants, who, under the present system, are enabled not only to maintain themselves, but to become purchasers of British manufactures to a large amount.

6. The **MANUFACTURER**, to whom a ready and improving market is now afforded for almost every article of home production, but for which the demand would soon come to an end, if the stimulus were withdrawn.

7. The SHIPPING INTEREST, which has hitherto found its best employment in the Colonial Timber Trade, but which would suffer to an alarming extent, if that Trade were abandoned, while the maritime wealth and power of Foreign States would be built upon the ruins of our own.

8. The REVENUE of the country, which would experience positive injury by any change in the existing scale of duties, inasmuch as such change would eventually operate as a tax on the consumer, in the shape of additional price.*

* These various topics are treated and commented on at considerable length by Sir Howard Douglas and Mr. Bliss, in their recently published pamphlets on Colonial Trade, a perusal of which we would recommend to those who are desirous of obtaining full information on this most important subject. Mr. Bliss, in his "Statistics of the Trade, Industry, and Resources of British America," has compiled, with great care, from official returns, a body of Tables which throw much light on the direct as well as inter-colonial commerce of our North American Provinces.

THE question regarding the policy of affording protection to our North American Timber Trade, by a discriminating rate of duties, is one which has, at various periods, engaged the attention of the Legislature ; and, as the scale now in force was not adopted until after a long and laborious investigation, so any interference with it should be viewed with a jealous eye, as involving the safety and permanency of the Colonial connection between Great Britain and her North American possessions.

It has been argued, indeed, that the country, and the Colonies themselves, would ultimately derive benefit were the duties to be remodelled ; but a very slight attention to the subject, and reference to facts confirmed by official documents, will sufficiently shew, that the immediate consequence of such a measure would be not only utter annihilation to the Colonial Timber Trade, but ruin to the many, varied, and extensive interests dependent on it.

The operation of the Statutes 1 and 2 Geo. IV. cap. 37 and 84, by which 10s. per load was imposed on Fir Timber fit for naval purposes, and 10s. per load taken off Foreign wood, rendered it barely possible either for the colonist or trader to realise a saving profit ; and the duties are now so nicely balanced, that a preponderance, however slight, in favour of the Baltic trader, would entirely prevent the possibility of further competition with him. The Colonial Timber Trade must, in that case, necessarily be abandoned ; and this result would be equally produced, whether the actual duties on Baltic Timber were diminished, or those on wood of Colonial growth increased. This will appear evident, on comparing the cost of Colonial wood with the market price (which is regulated by the cost and duties) of the foreign article ; nor will any of the component parts of the price of North American Timber (viz. freight, labour, and merchant's charges) bear reduction so as to enable the trade to be continued at lower profits. *Freights* have been gra-

dually falling for several years past ; and it is asserted, that another decline equal to that which has taken place since 1821, would bring ships to a breaking-up price ; *labour*, which is procurable for a mere trifle in the North of Europe, forms in Canada almost the whole first cost of wood ; and the *Merchant's charges and commission* will not probably be lessened, as his returns become less certain.*

The amount of first cost, as compared with the market price of North American and Foreign Timber, is stated in the annexed Table. The difference in value between Canada red pine and Baltic wood arises from the circumstance of the latter being of more equal size and better squared, owing to which it generally brings 3d. per foot, or about 12s. 6d. per load more than the former. The yellow pine usually sells at 4d. per foot, or about 16s. 8d. per load less than the Quebec red pine.

	COLONIAL TIMBER.		BALTIC TIMBER.
	<i>Red Pine.</i>	<i>Yellow Pine.</i>	
First Cost,	£1 13 4	£1 3 0	£1 2 6
Charges,	0 6 6	0 5 0	0 5 0
Freight,	2 0 0	1 15 0	1 0 0
	3 19 10	3 3 0	2 7 6
Duty,	0 10 0	0 10 0	2 15 0
	4 9 10	3 13 0	.....
Difference in value,	0 12 6	1 9 2	.....
	5 2 4	5 2 2	5 2 6

The opponents of the protecting policy contend, that, "were it abandoned, *price* would thereby be lowered, and the public supplied with cheaper timber ;" but the fallacy of this opinion is sufficiently exposed by the fact, exhibited in the following Tables, that, from the year 1801 to 1803, when the duty on Baltic wood imported in foreign ships was only 10s. 11d. per load, the average *price* of those years was upwards of £5 ; and that now, when the duty has been increased to £2 15s. Baltic timber still sells at about £5 per load. To what cause, then, is this to be attributed but to Colonial competition, which, in the face of a nearly

* Bliss.

three-fold consumption, and notwithstanding the change that has taken place in the standard of value compared with the cost of labour and almost every article of commerce, has kept down prices to their present standard. Remove this competition—throw the trade entirely into the other scale, and it will soon be found that Baltic proprietors and merchants will not be slow to take advantage of the *additional* demand for, at least, 600,000 tons of wood, which will then be made in their market, by raising their prices to a rate commensurate with such increased demand,—and thus an alteration of duty would merely operate as a boon to the Foreigner, without producing any beneficial result to the British consumer.

The following Table commences at the period when Baltic Timber paid nearly the same duty that is at present exigible from Colonial :—

Years.	Price of Baltic Timber per load.	Duty on Baltic Timber in Foreign ships	Net Price, deducting Duty.	Total imported from Baltic	Total from British Settlements	Duty Colonial Timber
1801	£5 15 0	£0 10 11	£5 4 1	158,770	3,099	Free.
1802	4 5 0	.....	3 14 1	252,672	5,143	.....
1803	5 5 0	1 0 9	4 4 1	280,550	12,133	1s. 6d.
1804	4 15 0	.....	3 14 3	275,429	14,835	.....
1805	4 15 0	.....	3 14 3	248,717	13,018	.....
1806	7 0 0	.....	5 19 3	144,054	18,120	Free.
1807	6 0 0	.....	4 19 3	213,636	26,561	.....
1808	11 11 0	.....	9 10 3	26,764	60,467	.....
1809	16 10 0	1 8 8	15 1 4	54,620	90,829	.....
1810	13 5 0	2 17 4	10 7 8	135,626	125,313	.....
1811	13 10 0	.....	10 12 8	124,765	154,282	.....
1812	10 5 0	.....	7 7 8	27,176	171,795	.....
1813	13 0 0	3 8 1	9 11 11	.....	.....	.....
1814	9 15 0	.....	6 6 11	126,289	50,790	.....
1815	8 15 0	.....	5 6 11	194,503	122,212	.....
1816	6 0 0	.....	2 11 11	79,885	153,707	.....
1817	6 0 0	.....	2 11 11	86,715	162,611	.....
1818	6 10 0	.....	3 1 11	141,885	248,669	.....
1819	6 7 6	3 8 0	2 19 6	119,237	322,920	.....
1820	6 0 0	.....	2 12 0	65,841	307,813	.....
1821	5 7 6	2 17 0	2 9 6	99,202	317,563	10s. 0d.
1822	5 5 0	.....	2 8 0	137,248	345,741	.....
1823	5 8 0	.....	2 0 11	161,472	283,747	.....
1824	5 6 0	2 15 0	2 0 11	195,900	415,363	.....
1825	5 10 0	.....	2 15 0	286,871	467,625	.....
1826	5 0 0	.....	2 5 0	156,078	455,600	.....
1827	5 2 6	.....	2 6 6	173,382	343,203	.....
1828	5 2 6	.....	2 6 6	144,522	372,613	.....
1829	5 0 0	.....	2 5 0	150,974	393,531	.....

In the article of Deals a similar result is obtained on an average of years; and here, if the duty were altered, particularly if it were taken by the *contents* instead of the *hundreds* as at present, a monopoly would be created in favour of the small-sized deals of Norway, (which can be furnished at a cheaper rate per cubic foot), to the exclusion from our markets of Colonial as well as the *larger* Baltic deals. The shipments hither from Norway are altogether in vessels of that country, and at low freights, the run across seldom occupying more than four to five days. Adequate protection to the Colonial and Shipping interests is therefore as essential in this case as in that of Timber.

When in the year 1809 the attention of Government was called to the then precarious state of the Timber Trade, and the pressing necessity of securing a steady supply of wood independent of foreign importation, and when encouragement was held out for British merchants to embark in the North American Trade, it was on the faith of protection then proffered and guaranteed by Acts of Parliament, (which record as the reason of their enactment "*the exorbitant profits, arbitrary rates, and excessive prices,*" at which wood was procured from foreign countries), that British capital, to an immense extent, was invested in this trade. But while the beneficial effects of the protection then afforded are apparent in the increased prosperity of the Colonies, it must be borne in mind, that as the value of almost all fixed property embarked in the Timber Trade has risen with the rise of that trade, so it must sink with its fall. It is idle to talk of transferring to other branches, without a ruinous loss, establishments which have been formed and are only suited for this peculiar one.

The value of fixed property of this description throughout the Colonies, and which is useless for other purposes—consisting of mills, canals, wharfs, warehouses, and other buildings necessary for carrying on the Timber Trade—has been computed at £2,100,000. In the province of Lower

Canada alone the number of saw-mills was, in the year 1831, no fewer than 737; and in New Brunswick—from whence the sole export, in return-payment for the manufactures of Great Britain, is in wood—the value of saw-mills and mill property, at the same period, was £232,030, as appears from the following Return:—

Value of Saw-Mills and Mill Properties in New Brunswick.

COUNTIES.	Establishments for Sawing Deals.	Estimated value of Mills, including all Improvements, — say, Privilege, Site, Sluices, Land, Dams, Piers, &c.			Estimated quantity of Lumber sawed at the Mills during the year.	Estimated Value of Lumber when sawed and carried to places of Shipment.			Number of men employed logging, sawing and bringing to places of shipment.
		£	s.	d.		£	s.	d.	
St. John	29	31,700	0	0	11,305,000	28,262	10	0	320
King's	30	14,800	0	0	3,905,000	9,785	10	0	287
Gloucester	7	15,500	0	0	2,920,000	6,050	0	0	105
Westmoreland ..	53	18,530	0	0	8,805,000	22,012	10	0	324
Kent	10	6,950	0	0	2,650,000	6,575	0	0	84
Northumberland	15	44,350	0	0	15,600,000	39,800	0	0	800
Sunberry	7	8,500	0	0	4,500,000	11,250	0	0	103
Queen's	6	9,200	0	0	6,200,000	15,500	0	0	118
Charlotte	42	64,500	0	0	38,955,000	99,475	0	0	1357
York	29	18,000	0	0	9,000,000	22,500	0	0	300
Grand Total.....	228	332,030	0	0	103,840,000	261,210	10	0	3798

That the sudden impulse of improvement which has carried the Colonies forward to their present station in wealth and consequence may be ascribed to the influence of the Timber Trade, is evident from the great and rapid change made on those possessions since that trade commenced, as compared with the stationary condition in which they were before; and this not only in regard to internal improvements, but in the progressively increasing commerce with the United Kingdom during the last twenty years. Prior to 1809, the Colonial Timber Trade was of comparatively little importance; but since that period a commerce has sprung up, in the interchange of home manufactures for the produce of the forests, that has become incalculably advantageous in a national point of view.

In the year 1792* (the last year of peace) the official value of imports into the Colonies was £1,119,991. In 1802 they amounted to £1,350,896; this exceeded by £300,000 any succeeding year until 1809. Up to the latter period, therefore, the imports had, for a series of years, been actually declining; but a remarkable increase appears to have taken place during the three first years after the Timber Trade commenced, and they have been steadily improving, until 1831 (when the latest returns were made up); the total amount of those imports was, according to the official Tables, £4,329,036 sterling; and the exports at the same period amounted to £3,304,702 sterling. The particulars of these sums are as follow:—

Account of the value of all Imports and Exports, into and from the Northern Colonies, in 1831.

	IMPORTS.	EXPORTS.
Quebec,	£1,855,902.....	£1,467,052
Prince Edward's Island,.....	660,000.....	51,519
St. John's, Newfoundland,.....	640,000.....	707,196
St. John's, N. B.....	561,315.....	387,204
St. Andrew's,.....	173,333.....	123,944
Halifax,	1,447,643.....	827,460
Hudson's Bay,	71,846.....	107,516
	4,810,039	3,671,891
Sterling,	£4,329,039	£3,304,702

In thus tracing the prosperity of our North American possessions to the rise and growing influence of the Timber Trade, it becomes an important inquiry, whether that prosperity is now placed on so secure a footing as to warrant the expectation of its continued advance, independently of the trade to which it owes its origin? This expectation can scarcely be indulged in;—the Colonies can only as yet be considered in a state of infancy—vigorous indeed, but still requiring the fostering hand of the mother country. Like all new settlements, they possess few articles of exports beyond the produce of their woods; New Brunswick indeed has no other. On these

* Bliss.

they must almost entirely depend; and if their means of paying for British manufactures cease, the importation of those manufactures must cease also as a matter of course; consequently, the large amount of capital, now in activity among a British people, would (in so far as it could) be withdrawn from the Colonies into Foreign countries.

Another very important point of view in which this question must be considered, is, as it is connected with Emigration. It has, for a series of years, been the policy of Great Britain to encourage and direct the current of emigration to North America, whereby the country is not only relieved from a redundant population, but a considerable proportion of persons who would otherwise have become chargeable on the public as paupers, are removed to a situation where they may, in a healthy climate, better their condition, as well as contribute by their labour to the prosperity of the Colonies and the empire. Under the existing system a cheap and ready conveyance is provided by means of the lumber ships,—so much so indeed, that they are said to have formed a bridge for emigrants across the Atlantic;—and so ready and abundant has been the employment hitherto found for these strangers, and that chiefly by the Lumber Trade, that although, in the course of last year, upwards of 50,000 arrived at Quebec, yet few of them have become chargeable to the Canadas, or left that country for the United States.

The pursuits of emigrants are, it is true, essentially agricultural; but agricultural operations, in a land covered with forests must commence, and be accompanied, by the operations of the lumberer. By means of the profits derived from the sale of trees fit for timber, the settlers have been enabled to remove those which were only an encumbrance, and to bring the ground which they covered into tillage and pasture. It is well known that the winter is longer in Canada than in more Southern climates; agricultural work is then, of course, at a stand; but during that season the Timber Trade finds occupation for emigrants and farmers,

furnishing a constant employment for the labour of themselves and their horses and oxen, and creating an extensive demand for farm produce of every kind. Hence the Timber Trade acts both directly and indirectly in a very advantageous manner on agricultural improvement, and the value procured from the woods (greater part of which is laid out on the soil) likewise enables the colonists to become consumers of British manufactures to a very considerable extent. To the demand for these indeed no probable limit can be set, for independently of the supplies required by the native inhabitants, the continued influx of emigrants occasions a consumption of manufactures which is rapidly increasing. The demand by the emigrants to Canada alone amounts at the present time to £78,000 per annum. Thus a positive employment for productive industry is created. Were this trade, therefore, put a stop to, so as to withdraw the demand for timber from the Colonies, and transfer it to other quarters, it would no longer be in the power of the Canadas to take our surplus population, or to give them any support.

On turning to the amount of British manufactures consumed by the timber countries of Europe, we find that it bears no comparison with the supply required by our North American provinces.* The policy of Foreign Governments limits the demand for British goods, and the importation into their countries seldom exceeds a certain point; nor does it fluctuate with a greater or less consumption in Britain of their timbers or other produce. The trade with Prussia affords a striking illustration of what the others evince in a lesser degree. Between 1802 and 1819, our importations of timber and deals from that country declined by 109,505 loads, while our exports thither exhibit a small advance. Between 1819 and 1829, importation had increased by 59,937 loads, and the exports declined nearly one-half.† The difference, therefore, must have been paid

* Douglas.

† Bliss.

for in gold; an exportation of which article has always a tendency to produce a doubly injurious effect; first by enhancing the value of specie, and next, by impairing the credit of its substitute. It may be remarked, in further evidence of the same fact, that the immense importations of foreign corn, occasioned by the scarcity of 1816-17, were almost entirely remitted for in gold, no increase whatever having then taken place in the consumption of British manufactures beyond the usual average demand, and the Baltic ships having, with scarcely an exception, returned home in ballast. Now, the whole population of British America derive their supplies from the manufactures of Britain, and that demand is steadily increasing. It is a most material consideration, too, that every operation of Colonial traffic replaces *two capitals*, the employment and distribution of which puts in motion and supports British labour, and alternately augments the resources of the same community.* The Baltic trade, it is true, has the effect of replacing two capitals also, but one only of these is British—the other puts in motion the industry of Foreigners exclusively.

The following accounts shew the relative value to the home manufactures of the Baltic and Canada trades, and also the relative increase of those trades in the space of four years, within a recent period.†

Principal Articles of Home Production exported from the United Kingdom to the North of Europe and British America.

COTTON GOODS.

	1824.	Yards.	1828.	Yards.
Russia, ...	...	2,646,871		2,502,267
Sweden, }	...	403,054	21,864	
Norway, }	...	461,609	364,505	
Denmark, ...	...	436,283	248,416	
Prussia, ...	...		9,100	
		1,300,946		643,885
		3,947,817		3,146,152
British North American Colonies, ...	5,580,723			9,202,255

* Brougham's Colonial Policy.

† Bliss.

LINENS.

	1824.	Yards.	1828.	Yards.
Russia,	...	724		2,155
Sweden, }	...		3,066	
Norway, }	...	7,660	9,393	
Denmark,	...	862	10,787	
Prussia,	...	103	14,254	
		<u>8,625</u>		<u>37,500</u>
		9,349		39,655
British North American Colonies, ...	2,192,624			2,634,642

WOOLLENS.

	1824.	Pieces.	1828.	Pieces.
Russia,	...	37,198		36,515
Sweden, }	...		355	
Norway, }	...	1,359	1,663	
Denmark,	...	1,818	1,356	
Prussia,	...	1,687	123	
		<u>4,664</u>		<u>3,497</u>
		42,062		42,012
British North American Colonies, ...	76,345			63,558

WOOLLENS.

	1824.	Yards.	1828.	Yards.
Russia,	...	123,926		127,126
Sweden, }	...		1,940	
Norway, }	...	6,168	9,232	
Denmark,	...	17,542	3,700	
Prussia,	...	4,707	772	
		<u>28,417</u>		<u>15,644</u>
		152,343		142,770
British North American Colonies, ...	938,897			1,123,276

LEATHER.

	1824.	Lbs.	1828.	Lbs.
Russia,	...	1,318		1,445
Sweden, }	...		255	
Norway, }	...	2,134	979	
Denmark,	...	2,468	36	
Prussia,	...	196		
		<u>4,798</u>		<u>1,270</u>
		6,116		2,715
British North American Colonies, ...	445,640			324,303

EARTHENWARE.

	1824	Pieces.	1828.	Pieces.
Russia, ...	...	435,520		122,613
Sweden, }	...	...	34,620	
Norway, }	...	632,522	512,442	
Denmark, ...	...	607,983	536,534	
Prussia, ...	...	105,495	43,772	
		<u>1,346,000</u>	<u>1,127,368</u>	
		1,781,520	1,250,181	
British North American Colonies, ...	2,567,561		1,745,207	

IRON AND STEEL, WROUGHT AND UNWROUGHT.

	1824.	Tons.	1828.	Tons.
Russia, ...	...	65		44
Sweden, }	...	...	120	
Norway, }	...	21	41	
Denmark, ...	...	172	477	
Prussia, ...	...	14	1,089	
		<u>207</u>	<u>1,727</u>	
		272	1,771	
British North American Colonies, ...	6,442		5,930	

HARDWARE AND CUTLERY.

	1824.	Cwt.	1828.	Cwt.
Russia, ...	...	2,532		3,080
Sweden, }	...	...	107	
Norway, }	...	774	535	
Denmark, ...	...	836	764	
Prussia, ...	...	740	544	
		<u>2,350</u>	<u>1,950</u>	
		4,882	5,030	
British North American Colonies, ...	14,845		15,412	

By Parliamentary Returns made up to January, 1830, it appears that the average quantity of shipping actually engaged in the North American trade was upwards of 430,000 tons, which is nearly one-fifth of the whole foreign trade of the country.* The proportion of vessels which arrive from the Colonies with other freights than wood has been estimated at 28,000 tons; allowing for this quantity, and about three-tenths of the remaining 402,000 for repeated voyages during the year, the residue of 281,400 tons—(exceeding 1000 ships with their crews)—would be put in jeopardy were a change to be made in the duties on timber. It has

* Douglas.

been alleged that one-half of this tonnage would still retain employment in the Colonial trade, and the other half be provided for in the increase of the Baltic and Coal trades. But that our ships would not find remunerative employment in the Foreign Timber trade is sufficiently obvious, from the well-established fact—proved by Custom-house Returns—that the Swedes, Danes, and Prussians, as well as Norwegians, employ, in nearly every instance, their own ships; and as they can, from various causes, build their vessels at half the cost, and victual and man them at one-third the expense of British ships, so they can always afford to carry timber at a rate which puts competition on the part of the British Ship-owner entirely out of the question; and foreign ships and foreign merchants, with those connected with them, would alone enjoy the benefit of a monopoly thus created.*

The expectation also held out of employment in the *Coal* trade seems equally delusive.† The tonnage employed in that trade is already abundantly sufficient to do more work than is at present to be obtained from it. Yet, even supposing a scarcity of vessels to exist, the *Timber* ships are not those which would probably be taken up; their peculiar build, and great draught of water, rendering them unfit for the purpose.

The above statement may be exemplified by a comparative view of the expense incidental to a Foreign and British vessel, for one year, employed in the Baltic Timber trade; and it must be remembered, that both these ships now enter our ports on precisely equal terms.‡

	Foreign.	British.
Cost of building, .....£6 10 0 per ton.....	£2600.....	£12 10 0...£5000
Wages of Captain, .....2 10 0 per month....	30.....	10 0 0... 120
2 Mates, .....1 10 0 per do.....	36.....	4 10 0... 108
23 Seamen, .....0 18 0 per do.....	248... (20) 2 5 0...	540
Victuals, .....0 0 7 per day	278.....	0 1 0... 420
Wear and tear 10 per cent. on first cost	260.....	300
	£3432	£6668

* M'Gregor.

† Bliss.

‡ Gould.

The quantity of shipping employed in the active intercourse which now prevails between the Southern or West Indian and the Northern Colonies also forms subject of interesting inquiry as connected with the present subject, since a continuance of that intercourse mainly depends on protection to the North American staple trade being continued or withdrawn. The annexed Return shews the number of ships, tons, and men employed in the inter-colonial trade during the year 1830.

	INWARDS.			OUTWARDS.		
	Ships.	Tons.	Men.	Ships.	Tons.	Men.
Quebec,	63	9,710	529	57	8,113	453
Prince Edward's Island,...	6	696	37	9	878	49
St. John's, Newfoundland,	83	8,826	582	93	10,628	688
St. John's, N. B.	75	14,530	665	60	10,334	501
St. Andrew's,	90	16,871	809	150	26,180	1,319
Halifax,	304	30,980	1,806	317	32,356	1,979
Total,	621	81,613	4,428	686	88,489	4,989

In 1831,* the arrivals of *all* vessels in the North American Colonies amounted inwards to

Ships, 6,654
 Tons, 814,904
 Men, 40,179

while the clearances outwards during the same time were

Ships, 6,366
 Tons, 836,668
 Men, 40,470

of which nearly one-half was with the United Kingdom, one-fourth between the British American Colonies themselves, about one-eighth with Foreign countries, and above one-twelfth with our West Indian Islands.

If the object of an alteration in the duties be to increase the *Revenue*, the only mode of doing so is, by maintaining the present relative scale, and imposing an equal addition on the duties of Colonial and Foreign timber. Any change that may cause the chief supply to be imported from the North of Europe, would, by occasioning an abandonment of the establishments in the lumber trade settled

* Official Return.

in our Colonies, give the Foreigner an entire command of the market. In this case, though the duties on foreign wood were reduced to the rates of 1801 to 1803,* there is no reason to expect that the price would be lower than it was at that period; on the other hand, a *higher* rate of duty would, assuredly, fall wholly on the consumer in the shape of additional price, which the absence of competition would enable the Foreigner to demand. In either view, therefore, and taking the question as one solely of Revenue, the country would suffer by the change, while, if duly considered in all its consequences, any alterations unfavourable to the Colonies will be found fraught with the ruin of British ship-owners,—driving thousands of our sailors into the service of the United States, to seek for that employment in foreign merchant ships which is denied them in our own—occasioning the decrease of demand for our manufactures—increasing pauperism, by checking emigration—and throwing an advantage in the scale of our rivals, who may again be as they have formerly been, our enemies. The experience of the past affords us too solid grounds of apprehension for the future.

This is viewing the matter merely in regard to its expediency; but as implicating the Government of the country in a charge of bad faith to those, who, on the express invitation and encouragement of the Ministry of the day, were induced to embark their property in this trade—it is utterly indefensible. When this question was agitated in 1831, much stress was laid on the assertion, that an alteration in the duties would be a saving to the country; but it was well remarked by one who took a statesmanlike view of the subject, in a speech replete with sound argument,† and who, in denying the conclusion, observed on the principle contended for—"that it was but bad economy which had not justice for its basis."

* 10s. 11d.

† Mr. Attwood.

SINCE the foregoing REMARKS were printed, the Report of the Commons' Committee on Manufactures, Commerce, and Shipping has appeared, and contains a mass of valuable evidence on all those heads. In reference to the Shipping Interest, however, the information afforded is far from gratifying, inasmuch as it exhibits, on the testimony of practical gentlemen from every part of the kingdom, a deplorable picture of the depression and distress under which our commercial marine is now labouring.

It may be observed, that with scarcely an exception, *all* the witnesses who were examined before the committee on the subject in question, not only agreed in their statement of *facts*, but coincided, in a very remarkable manner, in opinion as to the *causes* which have produced the depression so generally felt. From their united evidence it is incontestible that shipping property has been most unproductive of late years, and has undergone a depreciation in value to the extent of at least one-half, arising as well from the fall in price as in consequence of the want of necessary repairs, which the unremunerative employment of their capital incapacitates the ship-owners from making.

The depression of the shipping trade may be dated from the year 1824, when the causes after specified came into operation; since which period freights have been gradually declining, and are now reduced considerably under what they ever were at any former time. So low indeed have these fallen that, unless a change speedily takes place for the better, nothing less is contemplated than ruin to half the ship-owners in Britain.

One inevitable consequence of such a state of things has been the introduction of a practice that has gained ground to a prodigious extent—that of borrowing money on the mortgage of ships. This system is found to prevail the more as the owner becomes poorer; and it is believed that

the greater part of our shipping is now under mortgage. It is no unusual occurrence for ships so circumstanced to be sold off in order to pay the mortgagee; and, very frequently, the money a ship has sold for has been insufficient to meet the debt.

From the great increase which the Custom-house books shew in the amount of our exports and imports, a conclusion might be drawn that the Shipping Trade had largely participated in such apparent prosperity; but the very reverse is the truth, and the cause is almost unanimously ascribed, more or less, to the effect of the RECIPROCITY TREATIES, which, by placing the untaxed Foreign ship-owner on an equal footing with the British, have fostered a competition against which the latter is utterly unable to contend; and under which he is gradually sinking since every protective distinction has been removed.

In describing the effects which those treaties have produced on the trade, several witnesses do not hesitate to declare, that if no amelioration is granted, the sooner an English ship-owner carries his capital to Prussia, Sweden, or Denmark, the better; for, so long as the present system is continued, capital embarked in British shipping must be sacrificed in the ineffectual struggle against untaxed competition. Acting on this conviction, several British capitalists have already transferred their establishments to the Baltic, to settle there as Prussian subjects: thus adding their means and their industry to assist in driving the British ship-owner out of the Baltic trade.

The ships of those nations with which Treaties of Reciprocity have been entered into, viz. Norway, Denmark, Sweden, and Prussia, engross from a quarter to a third of our whole Foreign Trade; and to some of our ports the tonnage engaged in the *Timber Trade* is almost altogether foreign. They have increased within the last few years in a very extraordinary, and, to us, destructive ratio; and we are now consequently forced to come down to a rate of

freight remunerative to them, but totally inadequate to our expenses. As a natural result, a similar reduction has taken place in all other trades, even in those where British shipping has a monopoly; for it follows, as a matter of course, that if several hundred ships are thrown out of employ in the Baltic trade, which would otherwise have continued there, they must necessarily occasion a surplus of shipping, and consequent depression of freights, in whatever other trade they may be forced into.

The shipping belonging to Prussia engaged in the Baltic trade occupied, for the three years immediately preceding the passing of the Reciprocity Acts, about *one-third* of the whole; but at present the Prussian ship-owner has nearly *two-thirds* of the carrying trade from that country. An average of three years, under the influence of the same system shews a similar result in the case of Sweden, the proportion of tonnage from thence being 32 per cent. British, and 68 per cent. foreign. The trade with the United States, which is also carried on on the principle of reciprocity, is in nearly the same proportion. In 1831, the tonnage arriving from thence was 320,000, of which 91,000 only were British. It may be noticed in passing, that it is not alone in the *direct* trade between the United States and Great Britain that the tonnage of the former nation preponderates. It appears, that the renewal of intercourse between the United States and our West India Colonies has not only seriously injured the Intercolonial Trade itself, but has actually occasioned a large increased employment for vessels belonging to the States, to the exclusion of British shipping.

As might have been anticipated, the advantage thus afforded to foreign ships, at the expense of British, in the home as well as in foreign markets, has shewn itself in the marked improvement that has taken place in the construction and build of those vessels. Prussian ships, particularly, are now of a very superior description; and even those of

Norway, which used to be far behind other countries, shew great and visible alteration for the better. But the same cause, by compelling the British ship-builder to build as cheaply as possible, in order to meet the competition, has introduced an inferior class of vessels amongst us.

During the progress of this investigation, abundant proof was adduced of the immense advantages possessed by foreign over British ship-owners, in the comparative expenses attending the building, victualling, equipping, and navigating their vessels, as evinced in the relative cost of bringing timber from the Baltic, the present freight of which, at 14s. per load, yields the Foreigner a handsome profit, while the lowest rate of remuneration of the British ship-owner could not be under 21s.—the latter also being subjected to certain restrictions to which the former is not liable.

It is necessary to guard against a prime source of error which has been fallen into by many, who, seeing from Parliamentary Returns, a great annual increase of tonnage, take it for granted, that the shipping must be in a flourishing state. Nothing is more fallacious. The mere fact of *quantity* of tonnage, is in itself no evidence that the ship-owner is prosperous; nor does it follow, that because new ships are built, the aggregate tonnage of the country requires those ships; but in consequence of the system pursued at Lloyd's, of attaching *character* to *age*, the ship-owner is under the necessity of building a *new* ship in preference to repairing the *old* one, which, whatever its condition may be, becomes greatly deteriorated in value after it passes a certain letter.

The main cause of the evils under which the shipping interest is suffering being traced to the Reciprocity Treaties—which, to use the emphatic language of one of the witnesses, have “destroyed” the ship-owner—the general call is for the abrogation of those treaties, and for a return to the Navigation Laws under which the maritime interests of this country so long flourished. It is true that some

even despair of such a measure mitigating the evil ; for, say they, " we have made the Foreigners ship-owners, and we have created foreign ships, consequently we cannot go back to the same state as before." Other modes of relief (supposing things to remain as they now are) are suggested by several witnesses ; such as, to allow to British ships the exclusive privilege of bonding goods imported by them ; and to give a bounty to the British ship-owner, or impose some charge, as a discriminating duty, on cargoes brought in foreign ships, so as to put both on a similar footing in point of expense.

Among the various subjects of inquiry which occupied the committee's attention, the question as to "*what effect would be produced by imposing an increased duty on Canadian, and reducing the duty on Baltic Timber,*" came under consideration ; and it was clearly proved, that any change in those duties, which should occasion the chief supply of wood to be brought in future from the North of Europe, would assuredly cause the annihilation of the North American Trade, and would throw British shipping to a vast extent out of employment, as well in the direct Colonial as in the Intercolonial Trade dependent thereon. To a great proportion of shipping so employed no other trade is open ; for, even supposing that it were possible to compete with Foreigners under present circumstances, (and the contrary has been distinctly shewn), many of the ships now in the North American trade are altogether unsuitable for the Baltic trade, on account of their great draught of water ; they would, therefore, be rendered totally useless, and laid up to rot.

The evidence likewise establishes the certain consequence of such a measure to be—the loss of capital embarked in the trade of North America—the checking of emigration to our Colonies—and the shutting up an important market for our manufactured goods, by depriving the colonists of the means of paying for them : their only returns, either directly or indirectly, being in lumber.

Should the competition in the supply of Timber between the Baltic producer and North America be broken by equalization of duties, the price would be at least one-third more than it is at present. Nor is this mere supposition; for it is notorious, that when, in 1831, it was in contemplation to reduce the duty on Baltic timber, foreign producers were so ready to raise their price, that contracts were made at a certain rate if the law remained as it was, and at so much higher if the expected Act should pass. But with the competition, as it has hitherto existed in this branch, the price of Baltic wood is now at as low a price, with the advanced duty, as it was in 1794 and 1795, when it paid only a small duty.

The whole of these details are verified by a *numerous* and *most respectable body* of gentlemen, whose testimony acquires a double force from the extraordinary anxiety manifested throughout the examination to elicit a contrary result; but it is proper at the same time to mention, that *two* of the witnesses examined before the Committee differed very materially in their views from all the others, and gave an evidence diametrically opposed to theirs.

It is needless to make any comment on that part of the evidence which forms the exception alluded to, further than to observe, that when we find, in the room of practical information, the speculations of a visionary theory, or assertions confidently brought forward which turn out on investigation to rest altogether on mere vague hearsay; and when these are contrasted with *facts* founded on personal knowledge, and established by indisputable documents—we can have little hesitation in determining to which parties credit is due.

ON reviewing the Evidence, of which a brief summary has just been attempted, it is satisfactory to observe, that the foregoing REMARKS are fully borne out by the best authority—that of well-informed men, intimately and practically acquainted with the subject. There is one argument, however, mainly relied on by the promoters of an alteration in duties on timber, which has been but slightly touched on, and may now again be adverted to, namely, “that the present system forces the people of this country to use an inferior *quality* of wood at a high price,”—an assertion which has been so often repeated, as to have almost become an axiom with the advocates of the new doctrines. Now, this is assuming one of two things,—either that Baltic timber is excluded altogether from our market by the present discriminating duties, or that it can only be procured at such an extravagant rate as virtually prohibits its use. But what is the fact? Reference to the Table already quoted* shews at one glance, that not only is *price* actually kept down by the present scale, but that importation of wood from the North of Europe to a large extent has been uninterrupted. and that Baltic wood may be had at the present day at a very moderate rate in any port of the kingdom. The consumer is, therefore, by no means driven to use colonial wood against his will, since, if he prefer European, he can readily obtain it at as low a price as when the duty was a mere trifle. And so far from the present system *forcing* an inferior article on the market, it is owing to that system *exclusively* that the consumer is enabled to make a choice which would otherwise be beyond his reach.

Another plea set up for altering the duties on timber is the supposed additional revenue which would accrue in the increased amount of those duties, were the major part of the supply to be brought from Norway and the coasts

* Page 7.

of the Baltic; but the promoters of a narrow policy are either ignorant of the fact, that the measure from which they expect such increase in one branch would occasion a defalcation in others to a fearful extent,—together with the total destruction of capital embarked in the Colonial and Shipping Trades, and the ruin of thousands connected therewith;—or, being aware of these consequences, they rashly venture to sacrifice all those interests to uncertain experiments in Legislation, for the purpose apparently of maintaining the paradox, that the Policy which raised Great Britain to her boasted pre-eminence amongst nations was altogether founded in error; and that she is competent to maintain her place, even though she were destitute of “SHIPS, COLONIES, and COMMERCE.”